

[3 May, 2007]

RAJYA SABHA

projects is contingent upon the availability of requisite clearances/provision of alternative sites from the concerned State Governments which are being got expedited.

(d) While the UMPPs are expected to be taken up during the Eleventh Plan, the benefits are likely to flow beyond the Eleventh Plan period.

(e) and (f) Yes, Sir. Andhra Pradesh is an identified beneficiary from the proposed UMPPs. 1600 MW of power has been earmarked for the State from the proposed Krishnapatnam UMPP in Andhra Pradesh and 400 MW from UMPP to be located in Tamil Nadu.

In addition, during the Eleventh Plan in Andhra Pradesh capacity addition to the tune of 3534 MW in the State Sector, 1000 MW in the Central Sector and 509 MW in the Private Sector has been envisaged.

MoU for implementation of power sector reforms

2984. SHRI MAHENDRA MOHAN: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that not only the target for additional power generation and capacity installation been missed in two successive Five Year Plans, but also the losses incurred by the State power utilities have risen in 2006-07;

(b) if so, the reasons therefor;

(c) whether Government, by putting on the table a Memorandum of Understanding to implement power sector reforms, have convinced the States to carry out reforms more vigorously; and

(d) if so, the details of views given by the States in this regard?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE) (a) and (b) It is a fact that the target for additional power generation and capacity installation has been missed during Ninth and Tenth Five Year plans. The main reasons for not achieving the targets are given below:

(i) Delay in placement of award

(ii) Selection of projects based on super critical technology

- (iii) Non-availability of gas
- (iv) Selection of projects in whose case, there was not enough preparedness
- (v) Law and order problem
- (vi) Geological surprises

As far as losses of State Power Utilities (SPUs) are concerned, the Commercial losses (without subsidy) of SPUs have reduced from Rs. 29331 crore in 2001-20 to Rs. 19546 crore in 2005-06 as per the information compiled by Power Finance Corporation (PFC) on "Performance of State Power Utilities (SPUs) for the year 2005-06".

(c) and (d) Government of India signed Memorandum of Understanding (MoU) with all the States for undertaking reforms and restructuring in a time bound manner and linking the support of Government of India for achievement of pre-determined milestones. The salient features of the MoU were as under:—

(i) Reform programme by State Government

- Reorganization of State Electricity Boards
- 100% electrification of villages and hamlets
- Energy audit at all levels
- Setting up of State Electricity Regulatory Commission
- Rationalization of tariffs

(ii) Support from Government of India

- Supply of additional power wherever feasible
- Strengthening & improvement of transmission network by Power Grid Corporation of India Ltd.
- Assistance for strengthening and upgradation of sub-transmission and distribution system
- Funding for 100% electrification of village and hamlets
- Concessional financing by Power Finance Corporation for financial restructuring plans etc.